

## Penalty Information

K-1s filed with incomplete information or in an inappropriate format may cause us to contact the partnership for more information or to return the K-1s to the partnership. Either of these circumstances may subject the partnership to penalties.

## Information Contacts

- For more information regarding K-1 (565) CD, Diskette or Magnetic Media filing specifications call:  
Tina Stiles (916) 845-6060
- For information on substitute forms approval for paper K-1 filing call:  
Lynda Rush (916) 845-3553
- For information on K-1 EDI filing call:  
Alison Adams (916) 845-3559
- To obtain the K-1 TestWare or the following K-1 publications call: (916) 845-0353  
Internet Address: <http://www.ftb.ca.gov>

*Publication 1334:* Installation Instructions for California Franchise Tax Board K-1 (565) TestWare

*Publication 1062:* Guide for K-1 (565) Filing by CD, Diskette or Magnetic Media

*Publication 1062B:* K-1 Connection brochure

**K-1**

*a K-1 Communication Effort*

California  
Franchise  
Tax  
Board

## Filing Guidelines for California Schedule K-1 (565)

The

**K-1**

Connection



## California Franchise Tax Board Schedule K-1 (565)

This brochure provides guidelines and general filing information to help partnerships file 565 K-1s in a timely and accurate manner. Following these guidelines, you will be able to successfully file your K-1s with FTB. This information will be helpful whether you file directly with FTB or use the services of a professional processing agency.

### Filing Guidelines

- Schedule K-1 forms must be approved Franchise Tax Board forms for the correct year.
- Federal 1065 K-1s and microfiche are no longer acceptable.
- All Schedule K-1 forms must reconcile to the Schedule K.
- The number of K-1s provided should equal the maximum number of partners that owned an interest at any time during taxable year.
- The partnership's federal employer identification number (FEIN) must be provided.

- The partner's identification number must be provided as follows:

*Corporation:* provide California corporation or federal employer identification number;

*Trust:* provide federal employer identification number;

*IRA:* provide federal employer identification number;

*Estate:* provide federal employer identification number;

*Partnership:* provide federal employer identification number;

*S Corporation:* provide federal employer identification number;

*SOS:* when a partner has an SOS number, provide it on the K-1 in addition to the return.

- The complete partner name must be provided.
- The complete address must be provided.
- The amount of each partner's Distributive Share must be clearly shown; "various" is not acceptable as an amount.
- At the partnership level, verify that the income year beginning date and income year ending date are clearly shown.

### CD, Diskette or Magnetic Media

We initiated the voluntary Magnetic Media 565 K-1 Program in 1996. Many filers prefer this method of filing. This option allows your partnership to avoid printing K-1s on paper. You can send us a CD, diskette, magnetic tape, or tape cartridge with your K-1s formatted to our specifications.

### K-1 TestWare

We provide TestWare as a tool to pre-edit K-1 files, prior to submitting them to us. The TestWare enables partnerships to send error free files that pass our mainframe edit program on the first attempt. Using the TestWare eliminates the need to send in test files, before submitting the production files. We had a very receptive and positive response to the 1997 K-1 TestWare.

### Paper Filing

We continue to accept approved paper K-1s. However, given the increased accuracy and speed of processing electronically generated information, we encourage partnerships to file via CD or other forms of magnetic media.